

Weekly Economic Review

Consumers check their spending

Retail Sales

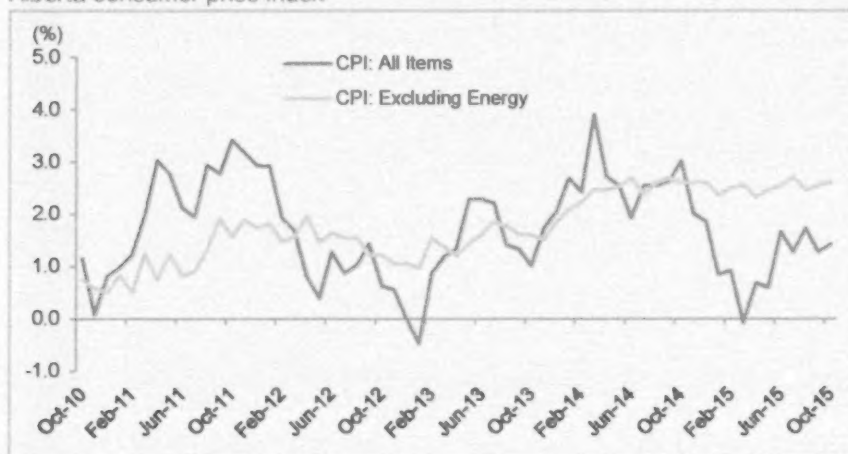
Consumer spending wanes

Alberta retail sales totalled \$6.3 billion in September, down 1.1% from August and 5.6% y/y. This was the largest year-over-year decline since October 2009. Falling receipts at gas stations and motor vehicle and parts dealers both continued to suppress retail sales. Excluding these two, sales were down 0.4% y/y. Sales also

shrank at food and beverage stores for the second straight month. However, health and personal care stores continued to experience elevated growth, up 11% y/y. Year-to-date retail sales are down 3.0%. Retail sales across Canada totalled \$43.3 billion in September, an increase of 1.2% y/y and up 2.1% year-to-date.

Chart 1: Inflation remains modest due to low energy prices

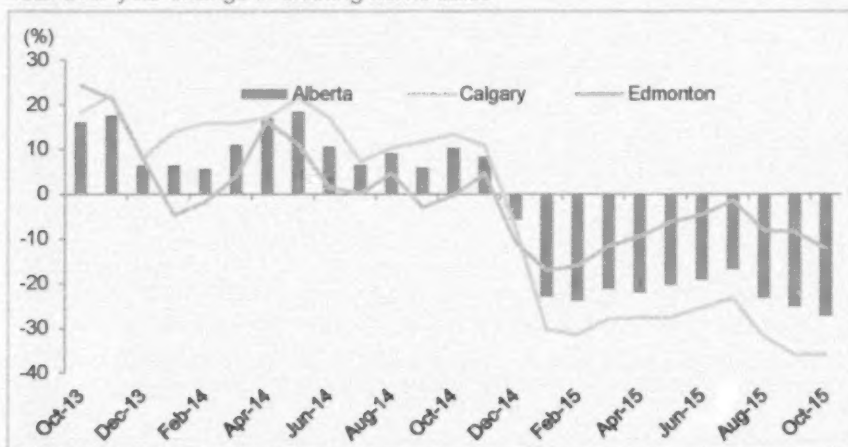
Alberta consumer price index



Source: Statistics Canada

Chart 2: Existing home sales increasingly underwhelm

Year-over-year change in existing home sales



Source: Canadian Real Estate Association

Consumer Price Index

Inflation remains subdued

Alberta's Consumer Price Index (CPI) was up a modest 1.4% year-over-year (y/y) in October. Lower energy prices continue to weigh on inflation. Prices for gasoline, electricity and natural gas declined by over 10% y/y. Excluding energy, inflation reached 2.6% y/y (Chart 1). Despite lower utility costs for households, shelter costs were largely unchanged from a year ago as home and mortgage insurance and property taxes were both substantially higher. Food prices continued to boost inflation, up 3.9% y/y.

Low energy prices also kept Canadian inflation at 1.0% y/y in October, unchanged from September. Core inflation, which excludes the eight most volatile CPI components, was stable at 2.1%.

Resale Housing

Soft market for existing homes

There were 4,648 home sales in Alberta, largely unchanged from September, but down 27% y/y. Similarly, new listings were also flat at 9,123 but 3.9% lower year-over-year. The province's sales-to-new listings ratio was a balanced 51.0%, while the average resale price fell for a sixth month. Sales and new listings in Calgary increased over the past month, but both remain down year-over-year (Chart 2). Sales and new listing both fell in Edmonton from

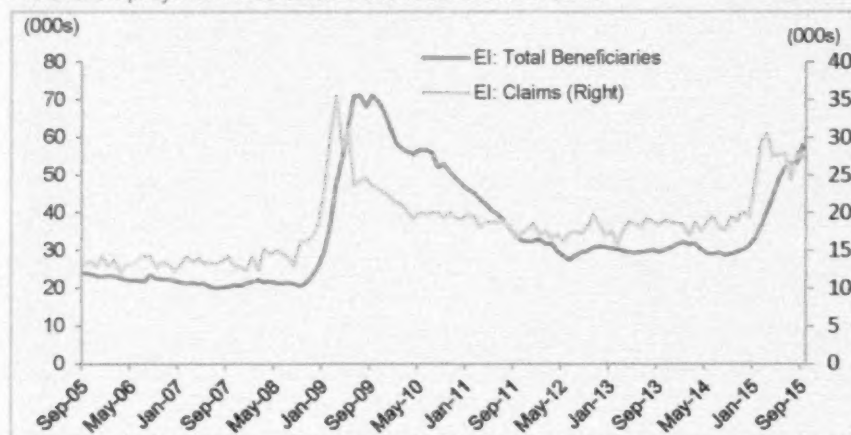
the previous month. The average resale price in Calgary had the largest decline since July 2009, falling 4.3% y/y, while the average resale price in Edmonton was up 2.1% y/y.

Employment Insurance

EI beneficiaries nearly double

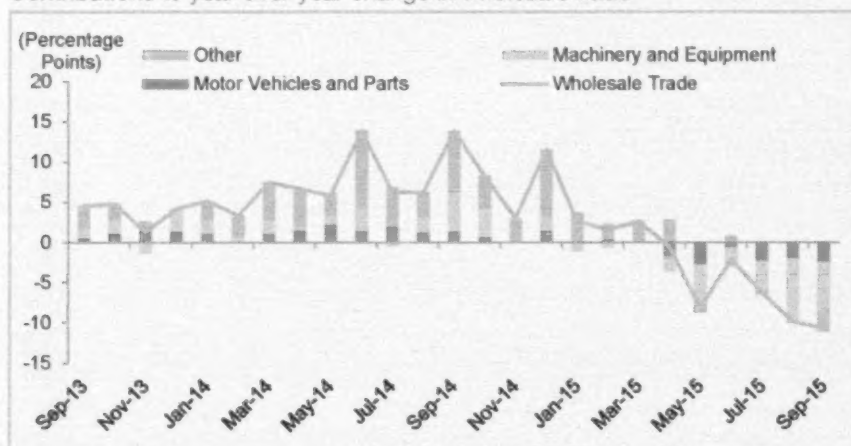
Alberta Employment Insurance (EI) claims in September remained elevated at 27,390, up 41% y/y or 7,920 claims from a year ago. This pushed up the total number of EI beneficiaries to 57,980 in September. The number of EI beneficiaries in Alberta has nearly doubled over the past year and has not been this high

Chart 3: EI Beneficiaries approach a six-year high
Alberta employment insurance beneficiaries and claims



Source: Statistics Canada

Chart 4: Machinery continues to suppress wholesale trade
Contributions to year-over-year change in wholesale trade



Source: Statistics Canada

Please see the [Alberta Economy - Indicators at a Glance](#) for a snapshot of Alberta indicators.

since January 2010 (Chart 3). The number of EI beneficiaries in Calgary surpassed Edmonton for the first time since July 2013 and the share of beneficiaries across the rest of Alberta also increased.

Wholesale Trade

Weakness for wholesalers persists
Alberta wholesale trade in September totaled \$6.5 billion, down 9.8% year-over-year. Wholesale trade has fallen in nine of the past ten months to the lowest level since June 2013. Industrial machinery and equipment experienced the largest decline, down 29% y/y and -10% year-to-date (Chart 4). Several other sectors have also experienced declining activity over the past half-year including building supplies (-16% y/y) and motor vehicles (-22% y/y).

Canada's wholesale trade was up 1.3% year-over-year in September. This was the lowest rate of growth this year.

Manufacturing Shipments

Manufacturers still struggling
Alberta manufacturers continued to struggle, as shipments fell by 15% y/y in September. Petroleum and coal products remained the main source of weakness, down 38% y/y due to lower prices and decreased refinery production. Petroleum and coal aside, manufacturing was down 9.8% y/y. As energy producers in Canada and the US have looked to reduce expenses, equipment investment has waned and contributed to a 30% y/y drop in machinery manufacturing.

Food manufacturing was one of few categories to see growth. Year-to-date manufacturing sales were down 12%, led by a 36% decline in petroleum and coal sales.

Contact

[Erin Bartmanovich](#)

780.427.8814